

of the Agricultural Act of 1949, as amended, is amended by adding at the end of such section the following: "For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form."

Approved January 28, 1956.

68 Stat. 583.
7 USC 1427.

Public Law 396

CHAPTER 15

AN ACT

To amend the Internal Revenue Code of 1954 with respect to deductions from gross income of amounts contributed to employees trusts.

January 28, 1956
[H. R. 4582]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a new paragraph be added to section 381 (c) of the Internal Revenue Code of 1954 to read as follows:

Internal Revenue Code of 1954, amendment.

"(20) CARRY-OVER OF UNUSED PENSION TRUST DEDUCTIONS IN CERTAIN CASES.—Notwithstanding the other provisions of this section, or section 394 (a), a corporation which has acquired the properties and assumed the liabilities of a wholly owned subsidiary shall be considered to have succeeded to and to be entitled to take into account contributions of the subsidiary to a pension plan, and shall be considered to be the distributor or transferor corporation after the date of distribution or transfer (but not for taxable years with respect to which this paragraph does not apply) for the purpose of determining the amounts deductible under section 404 with respect to contributions to a pension plan if—

68A Stat. 129.
26 USC 381.

"(A) the corporate laws of the State of incorporation of the subsidiary required the surviving corporation in the case of merger to be incorporated under the laws of the State of incorporation of the subsidiary; and

"(B) the properties were acquired in a liquidation of the subsidiary in a transaction subject to section 112 (b) (6) of the Internal Revenue Code of 1939."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

Approved January 28, 1956.

Effective date.

Public Law 397

CHAPTER 16

AN ACT

To amend the Internal Revenue Code of 1939 with respect to the period of limitation for filing claims by certain transferees and fiduciaries for credit or refund of income taxes.

January 28, 1956
[H. R. 5428]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 311 (b) (4) of the Internal Revenue Code of 1939 is hereby amended by inserting "(A)" after "(4)" and by adding at the end thereof the following:

Internal Revenue Code of 1939, amendment.
53 Stat. 90.

"(B) For the purpose of determining the period of limitation on credit or refund to the transferee or fiduciary of—

“(i) overpayments of tax made by such transferee or fiduciary, or

“(ii) overpayments of tax made by the transferor of which the transferee or fiduciary is legally entitled to credit or refund,

the agreement referred to in subparagraph (A) and any extension thereof shall be deemed an agreement and extension thereof referred to in section 322 (b) (3).

“(C) If the agreement referred to in subparagraph (A) is executed after the expiration of the period of limitation for assessment against the taxpayer with reference to whom the liability of such transferee or fiduciary arises, then, in applying the limitations under section 322 (b) (3) on the amount of the credit or refund, the periods specified in section 322 (b) (3) shall be increased by the period from the date of such expiration to the date of the agreement.”

Effective date.

SEC. 2. This Act shall be effective in all circumstances in which it would have been effective if it had been enacted on August 17, 1954.

Approved January 28, 1956.

Public Law 398

CHAPTER 17

AN ACT

January 28, 1956
[H. R. 7036]

To amend section 37 of the Internal Revenue Code of 1954 with respect to the earned income limitation on retirement income.

Retirement in-
come-tax credit.
68A Stat. 15.
26 USC 37.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 37 (d) (2) of the Internal Revenue Code of 1954 (relating to limitation on retirement income) is hereby amended to read as follows:

“(2) in the case of any individual who has not attained the age of 72 before the close of the taxable year, any amount of earned income (as defined in subsection (g))—

“(A) in excess of \$900 received by the individual in the taxable year if such individual has not attained the age of 65 before the close of the taxable year, or

“(B) in excess of \$1,200 received by the individual in the taxable year if such individual has attained the age of 65 before the close of the taxable year.”

Effective date.

SEC. 2. The amendment made by the first section of this Act shall apply only with respect to taxable years beginning after December 31, 1955.

Approved January 28, 1956.

Public Law 399

CHAPTER 18

AN ACT

January 28, 1956
[H. R. 7282]

Relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with respect to its capital gains.

65 Stat. 470.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 (c) (1) (A) of the Internal Revenue Code of 1939 is hereby amended by inserting after the word “reduced” the following: “(except for the purposes of determining the credits allowable under subsections (b), (h), and (i) of section 26)”.